

SENATE BILL NO. 263

INTRODUCED BY D. MAHLUM

A BILL FOR AN ACT ENTITLED: "AN ACT CONTINUING THE FUNDING OF THE HERITAGE PRESERVATION AND DEVELOPMENT PROGRAM FROM THE LODGING FACILITY USE TAX; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-65-121, MCA, is amended to read:

"15-65-121. (Temporary) Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004. On July 1, 1997, the amount of \$45,000 is transferred to the department of commerce for purposes of a grant to the Fort Peck interpretive center. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies or in the Montana heritage preservation and development account is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks,

1 as follows:

2 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
3 historical signs and historic sites;

4 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
5 research program;

6 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state
7 parks that have both resident and nonresident use;

8 (d) 67.5% to be used directly by the department of commerce; and

9 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to
10 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the
11 total proceeds collected statewide; and

12 (ii) if 22.5% of the proceeds collected annually within the limits of a city or consolidated
13 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit
14 tourism corporation in the region where the city or consolidated city-county is located, to be distributed
15 to the nonprofit convention and visitors bureau in that city or consolidated city-county.

16 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either
17 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing
18 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism
19 corporation in the region in which the city or consolidated city-county is located.

20 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual
21 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit
22 tourism corporation may be used by the department of commerce for tourism promotion and promotion
23 of the state as a location for the production of motion pictures and television commercials. (Terminates
24 July 1, 2001--sec. 23(3), Ch. 469, L. 1997.)

25 **15-65-121. (Effective July 1, 2001) Distribution of tax proceeds.** (1) The proceeds of the tax
26 imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account
27 in the state special revenue fund to the credit of the department. The department may spend from that
28 account in accordance with an expenditure appropriation by the legislature based on an estimate of the
29 costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax
30 proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through

1 (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state
2 lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each
3 reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging
4 expenditures were paid by state agencies. The amount of \$400,000 each year must be deposited in the
5 Montana heritage preservation and development account provided for in 22-3-1004. The balance of the
6 tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation,
7 ~~or~~ deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies,
8 or deposited in the heritage preservation and development account is statutorily appropriated, as provided
9 in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the
10 department of commerce for tourism promotion and promotion of the state as a location for the production
11 of motion pictures and television commercials, to the Montana historical society, to the university system,
12 and to the department of fish, wildlife, and parks, as follows:

13 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
14 historical signs and historic sites;

15 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
16 research program;

17 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state
18 parks that have both resident and nonresident use;

19 (d) 67.5% to be used directly by the department of commerce; and

20 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to
21 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the
22 total proceeds collected statewide; and

23 (ii) if 22.5% of the proceeds collected annually within the limits of a city or consolidated
24 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit
25 tourism corporation in the region where the city or consolidated city-county is located, to be distributed
26 to the nonprofit convention and visitors bureau in that city or consolidated city-county.

27 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either
28 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing
29 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism
30 corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

NEW SECTION. SECTION 3. TERMINATION. [THIS ACT] TERMINATES JULY 1, 2007.

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